



May 22, 2020

VIA ELECTRONIC FILING

The Honorable Jocelyn G. Boyd
Chief Clerk/Administrator
Public Service Commission of South Carolina
101 Executive Center Drive, Suite 100
Columbia, South Carolina 29210

RE: Actions in Response to COVID-19
Docket No. 2020-106-A

Dear Ms. Boyd:

Dominion Energy South Carolina, Inc. ("DESC" or "Company"), pursuant to Order No. 2020-372 issued by the Public Service Commission of South Carolina ("Commission") on May 14, 2020, hereby submits these comments in the above-referenced docket, regarding the issues raised by the South Carolina Office of Regulatory Staff ("ORS") in its motion dated May 8, 2020, concerning measures to be taken to mitigate impacts of COVID-19 on utility customers ("Motion"). Through its comments below, the Company seeks to ensure that the Commission is aware of, and understands fully, the actions taken by DESC in response to COVID-19 for the benefit of its electric and natural gas customers. In addition to submitting these comments, DESC intends to participate in the Commission's Virtual Forum scheduled for May 27, 2020.

DESC is committed to providing reliable electric and natural gas service to its customers 24 hours a day, seven days a week, and at present, DESC's electric and natural gas systems are functioning normally and have been functionally normally at all times during the South Carolina State of Emergency which began on March 13, 2020. In addition to the COVID-19 crisis, South Carolina was hit with a second State of Emergency on April 13, 2020, caused by severe weather. DESC responded to that State of Emergency quickly by restoring electric service caused by a severe storm system, which produced multiple tornadoes, damaging winds, significant rainfall, extensive localized flooding and other dangerous conditions across South Carolina. Amid the uncertainty of the COVID-19 crisis and April 13 devastating weather conditions, the Company continued to deliver on its core mission: providing safe and

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reliable energy to South Carolina; this could not have been accomplished without the professionalism and dedication of DESC's employees.

At the outset of the COVID-19 State of Emergency, DESC instituted mitigation measures in response to the crisis for the benefit of its retail electric and natural gas customers by waiving late-payment charges, ceasing disconnections for non-payment, and waiving reconnection charges for those residential customers whose service had been recently disconnected for non-payment. *See* Docket Nos. 2020-105-EG and 2020-106-A. Additionally, the Company took proactive steps to protect the health of its employees. For example, DESC instituted mandatory teleworking for all employees able to do so and implemented "Ready Reserve Employees" who were instructed to stay home so that they would remain healthy and be available immediately if needed. DESC implemented these actions based upon the advice and counsel of health care professionals and government experts, along with the Company's judgment on what was best for DESC's employees and customers.

Turning to the specific matters for which the Commission has requested comments, DESC provides the following information.

On-line Credit and Processing Fees. In its Motion, ORS inquires as to whether utilities can offer no cost options to facilitate customer payment and temporarily waive on-line payment and credit card processing fees, which are fees charged by a third party to process on-line and credit card payments, in order to assist customers at this time. ORS also asks that utilities provide comments regarding the feasibility, cost impacts, and efforts to educate customers about existing no-cost bill payment options, and whether any administrative and tariff changes are needed to facilitate the temporary waiver of on-line payment and credit card processing fees.

DESC is pleased to inform the Commission that payment methods exist today for customers who wish to avoid payment processing fees when transacting business online or with a credit or debit card. Prior to the COVID-19 crisis, DESC had implemented measures for customers who sought to avoid on-line credit and processing fees. More specifically, DESC customers may pay their bill online by making an electronic payment which is deducted from their checking or savings account; no processing fee is charged to a customer who exercises this payment option. DESC customers may also pay their bill online by making a payment with a credit card or debit card; there is no processing fee charged to a customer who exercises this payment option as long as the customer enrolls in paperless billing. In summary, the Company offers payment methods to its customers with no processing fees and DESC encourages its customers to utilize these payment options.

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As for the payment options themselves, the Company's payment options for residential and business customers are located on DESC's website at: <https://www.dominionenergysc.com/paying-my-bill/payment-options>. DESC's website clearly informs the Company's customers as to how to pay their energy bill without incurring a processing or transaction fee. In addition, if a customer contacts DESC regarding a processing or transaction fee, the Company's customer service representatives are trained to assist the customer with understanding the steps that they can take to avoid the processing or transaction fee. With these measures in place, customers possess the ability to avoid paying a processing or transaction fee when conducting business with DESC, if they so choose. In conclusion, there are no administrative or tariff changes needed in order for DESC to continue to offer payment options that will allow its customers to avoid a payment processing fee.

Late Payment Fees. In its Motion, ORS inquires whether utilities could suspend or forgive outstanding late payment fees to assist customers at this time. ORS also asks that regulated utilities provide input to the Commission regarding the feasibility, cost impacts, applicable time period, administrative and tariff changes needed for the suspension or forgiveness of late payment charges.

The Company, pursuant to Commission Order No. 2020-229, began waiving late-payment charges on March 16, 2020, for customers not paying their bill in a timely manner. The Company is tracking the amount of late-payment charges waived during the crisis and intends to report this information to the Commission, pursuant to Commission Order No. 2020-372, no later than June 30, 2020.

In the future, DESC will resume late-payment charges, but at this point in time DESC has not yet made a final decision as to when it will reinstitute late-payment charges. The Company is pleased, however, that the Commission in Order No. 2020-374 acknowledged Governor McMaster's letter dated May 13, 2020, which requested, among other things, that ORS and the Commission work with utilities as they return to normal operations, while continuing to provide flexibility and assistance to customers. When a date is selected DESC will communicate this information to its customers and intends to provide its customers with adequate notice before resuming late-payment charges. This will allow customers time to evaluate and decide whether to take advantage of the Company's assistance offerings (e.g., budget billing and deferred payments longer than six months). DESC will also provide notification of its decision to the Commission and ORS.

Returned Check Charges. In its Motion, ORS inquires whether utilities can temporarily waive the assessment of service charges associated with returned checks to assist customers. ORS also asks the utilities to provide comments regarding the feasibility, cost impacts, administrative and tariff changes needed to facilitate the temporary waiver of waiving service charges associated with returned checks.

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When a customer writes a check to DESC that is returned for insufficient funds, the Company charges that customer a service fee in the amount of \$25.00. The service fee is designed to cover the expenses that DESC incurs for processing the returned check, and absent a compelling reason, it is appropriate for the person who presents a check as payment of their energy bill to pay for the expenses that accompany it. The Company maintains the ability to waive a service fee on a case-by-case basis due to such things as multiple customer checking account mistakes, and DESC does not believe that its business practice should be altered as a result of the COVID-19 crisis. Accordingly, DESC does not recommend that the Commission take any action with respect to service fees originating from a returned check.

Credit Reporting. In its Motion, ORS inquires whether utilities report customer payment delinquency to credit reporting agencies. For those utilities that report customer payment delinquency to credit reporting agencies, ORS also seeks information as to whether utilities may temporarily suspend reporting customer payment delinquencies to credit agencies, ORS also inquires as to whether the use of credit reporting agency information to determine customer credit worthiness or security deposit amounts could be halted in order to provide assistance to customers at this time. ORS also requests that utilities provide comments regarding the feasibility, cost impacts, administrative and tariff changes needed to facilitate the temporary suspension of sending reports of customer payment delinquencies to credit agencies and the use of credit reporting agency information to determine customer credit worthiness or security deposit amounts.

DESC only reports customer utility payment delinquency to credit reporting agencies when that customer's account is final billed and written-off. In other words, the Company does not report active customer utility accounts that may be delinquent to credit reporting agencies. When an account is final billed and written-off, DESC has exhausted all internal remedies to obtain collection of the account and referrals to customer assistance agencies. Bad debt expense that results from uncollectible accounts is a component of the Company's electric and natural gas rates. It is important to understand, however, that arrears do not necessarily transmute into write-off. As stated throughout this letter, DESC is offering its customers multiple methods of financial assistance to pay their energy bills which should have the effect of decreasing customer arrears that may otherwise convert to write-off.

As for the use of credit reporting agency information to determine customer creditworthiness, DESC will only contact a credit reporting agency for this purpose at the time a customer requests new service. The purpose of contacting the credit reporting agency is to verify the customer's identity and to determine whether the customer must pay a security deposit. If a customer requests that DESC not contact a credit reporting agency seeking information regarding a deposit requirement, then DESC will honor the customer's request, but the Company will require that the

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customer post the appropriate amount of security prior to connecting service. After new service is initiated, DESC does not contact a credit reporting agency for updated information regarding the customer.

Due to the very limited nature in which DESC contacts a credit reporting agency for information to determine creditworthiness and the ability for a customer to request that DESC not contact a credit reporting agency for determining whether a deposit is required, the Company does not believe that any changes to its process are necessary. Similarly, in light of the manner in which the Company reports customer payment delinquency to credit reporting agencies, DESC does not believe that any adjustment to its process is necessary.

Communication Regarding Safety Net Provisions. In its Motion, ORS requests that interested parties provide comments on proactive steps to be considered by utilities to communicate applicable safety net provisions, including, but not limited to, referrals to community action resources and an exploration of advantageous tariff options, to their customers.

Beginning with May bills, the Company began proactively offering certain customers in arrears an opportunity to participate in budget billing. Customers in arrears are not normally eligible for budget billing. The sole reason for expanding budget billing to certain other customers in arrears is to provide these customers with an additional form of economic assistance which will help them spread their past due amount over 12 months. DESC is trying to make this process as easy as possible, therefore customers do not need to call DESC to enroll in budget billing. Instead, customers can simply select the budget billing payment amount offered on their paper or online bill to enroll in the program.

Throughout the pandemic, the Company has provided numerous updates to customers in multiple ways – email, social media, web/mobile, bill messaging and through press releases, for example – about efficient ways to do business with DESC and the options for assistance that are available to them. In addition, the Company is encouraging customers to be mindful of saving energy and ways to do so while sheltered at home. In keeping with existing practices that DESC has in place, the Company continues to work with its customers by offering payment arrangements to support anyone who may be struggling to keep up with their bills. The Company works closely with the South Carolina Office of Economic Opportunity to connect customers with community action agencies as well as other customer assistance community resources, which have received increased federal funding for energy assistance programs. DESC also provides a variety of payment arrangements. Moreover, DESC has conducted weekly meetings with ORS consumer services representatives in an effort to keep ORS apprised of the Company's customer service activities which allows ORS to communicate this information to DESC customers who

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may call ORS seeking information. DESC has also issued media warnings to its customers to watch out for scams that are prevalent during emergencies.

During the COVID-19 crisis, DESC through the Dominion Energy Charitable Foundation has also made financial contributions to programs that support the Company's customers. On March 23, 2020, DESC contributed \$125,000 to the One SC Fund to support a collaborative statewide response to the COVID-19 pandemic. This contribution was part of the Dominion Energy Charitable Foundation's \$1 million commitment to support national organizations, such as the American Red Cross, as well as to address local needs. In addition, the Company's Charitable Foundation has committed \$50,000 to Harvest Hope Food Bank, which provides an invaluable service by helping our customers who struggle with food insecurity and hunger. DESC is pleased to be able to make these contributions and will be evaluating other ways to provide additional financial support to our community during the COVID-19 crisis.

Additionally, on May 19, 2020, Dominion Energy finalized the expansion of EnergyShare into South Carolina with a \$250,000 donation to the program, which is administered through the South Carolina Office of Economic Opportunity. EnergyShare is Dominion Energy's year-round energy assistance program that helps qualified low-income, disabled and elderly customers with bill payment assistance for their electric and natural gas services. Funds donated to the program will be allocated among the 12 community action agencies in DESC's service territory. In addition to Dominion Energy's corporate contribution, which is funded by shareholder dollars, the South Carolina Office of Economic Opportunity will also continue to receive a monthly check for EnergyShare program funds through voluntary donations from the Company's customers, employees and retirees. Since the predecessor program, ProjectShare, was started in 1986, more than \$9.2 million in contributions have assisted DESC customers with their heating and cooling needs. In 2019 alone, DESC customers, employees and retirees contributed \$155,000.

As evidenced by the actions of DESC above, the Company places great importance upon the safety net programs available to its customers.

Planning to Return to Normal Operations. In its Motion, ORS requests comments from utilities on the planning activities taken by utilities to return to normalized operations. In making this request, ORS seeks information regarding workforce management and scheduling, customer contact center volume, and customer disconnections.

As stated earlier in this comment letter, DESC instituted mandatory teleworking for all employees able to do so, and it instructed its "Ready Reserve Employees" to stay home. This strategy has served DESC and its customers well as

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evidenced by the reliable service provided by the Company during these difficult times. As the State of South Carolina begins to ease its restrictions, DESC has decided to take measured steps as it returns to a more normal approach to work, and these steps involve a multi-phased process.

Phase 1 focuses on employees whose job duties are completed in the field as well as essential work that cannot be done through teleworking. This covers a range of roles, from linemen and technicians to mechanics and operations managers, each with a unifying goal: strengthening DESC's ability to keep the power on and gas flowing, both today and long term. Phase 1, which was initiated on May 11, 2020, is not a rush to simply bring all these employees back to work but instead is a measured approach designed in creating a more recognizable routine for these employees. This initial step begins the gradual easing of the stringent staffing plans put in place over two months ago, as transmission of the virus was accelerating. The Company has performed a great deal of planning and employee communication in order to provide for a safe workplace for its returning employees. The ability for social distancing in the Company's facilities is of the utmost importance as is the guidance for how employees should engage in their work activities, including proper cleaning procedures.

The Company wishes to bring to the Commission's attention that DESC's customer call center representatives are not included in Phase 1. The reason for not including DESC's customer contact center representatives in Phase 1 is because these employees are able to adequately perform their job duties by teleworking. During the COVID-19 crisis, 70% of DESC's customer call service representatives have been assisting customers from their home. The Company's experience with having a high percentage of customer contact center representatives working at home has been positive and there is no need to rush these employees back to the office.

Phase 2 will focus on employees who are able to perform some of their job functions remotely, but also have a need to be present in the office. This covers those employees, for example, who need to utilize specialized equipment from time-to-time to create things such as drawings or other engineering plans. These employees would be present in the office during certain days of the week and not present on other days. The Company will implement Phase 2 on June 8, 2020.

Finally, Phase 3 focuses on those employees who can perform their job duties remotely and who do not have an immediate need to return to the office. This phase will cover those employees who perform services related functions to DESC such as legal and accounting services. DESC intends to implement Phase 3 no sooner than September 8, 2020. Like DESC's customer call service representatives, these employees are adequately performing their job duties at home and there is no need to accelerate their return to the office.

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Customer Contact Center Volume. DESC has experienced lower call volume during the COVID-19 crisis. The Company attributes the lower call volume to DESC's decision to cease disconnecting electric and natural gas service for non-payment. When the Company transitions back to disconnection for non-payment, DESC anticipates that call volume will increase but has mechanisms in place to handle increased call volume. As required by Commission Order No. 2020-374, DESC refers any customer needing assistance to local organizations and arranges payment plans that will avoid or minimize penalties and service interruptions. *See* Commission Order No. 2020-344 (allowing utilities to offer deferred payment plans longer than six months).

Disconnection of Service for Non-Payment. During the COVID-19 crisis, the Company's customers have not needed to worry about having their electric or natural gas service disconnected for non-payment. On March 12, 2020, DESC ceased disconnecting electric and natural gas service to its customers for non-payment. With the issuance of Commission Order No. 2020-374, DESC understands that it may resume disconnection of service subject to certain conditions. At present, however, DESC has not yet decided when it will resume disconnections for non-payment. When a date is selected, DESC will communicate this information to its customers and will provide its customers with the appropriate notice as required by Commission regulations before disconnecting service. Likewise, DESC will notify ORS and the Commission as to when DESC intends to resume disconnections.

Waiver of Reconnection Fees. By letter dated March 16, 2020, and at the outset of the COVID-19 crisis, the Company notified the Commission that it had begun waiving the reconnection charge for those customers who had recently experienced a disconnection of service for non-payment and who requested that their service be restored. DESC has not yet determined when it will resume charging a reconnection fee, but that decision will likely be made in conjunction with DESC's decision to reinstitute disconnection of service.

Other General Comments. In its Motion, ORS also requests comments from utilities regarding increase in customer bad debt, revenue recovery, identify cost reductions, cost allocations due to unemployment and bankruptcies, the impacts of additional Federal stimulus funding and financial assistance for customers.

DESC is monitoring the financial impacts of COVID-19 closely and in accordance with Commission Order No. 2020-372 the Company will provide the Commission with a report no later than June 30, 2020, concerning revenue impacts, incremental costs and savings related to COVID-19. In recent weeks, the Company has observed a reduction in overall weather-normalized demand primarily across commercial and industrial classes. Consistent with its expectations the Company has also observed an increase in total arrears though recent data suggests those

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amounts have begun to fall because the Company has taken steps to expand payment flexibility for its customers. At present, DESC is strongly encouraging its customers to pay a portion of their outstanding balance now even though they are not currently facing disconnection. As stated earlier, and to further manage this issue, the Company is allowing many customers in arrears an opportunity to participate in budget billing in May and has made the process to enroll in budget billing easier. The Company continues to partner with the Office of Economic Opportunity as well as the state's community action agencies to secure assistance for its customers and has been able to expedite its assistance to customers because the Company possesses the ability to accept funding electronically that originates from the federal Low Income Energy Assistance Program, commonly referred to as "LIHEAP" which is applied directly to customer account balances. Moreover, the Company offers to post agency updates on its customer assistance web page (<https://www.dominionenergysc.com/paying-my-bill/assistance-programs>) in an effort to keep its customers informed.

Conclusion. The COVID-19 crisis has been difficult for everyone, but DESC is proving to be strong and resilient, amid difficult circumstances for South Carolina. DESC's customers and the health of its employees continue to be at the Company's top of mind.

Thank you for providing the Company with the opportunity to submit these comments, and we look forward to discussing these matters with the Commission at the virtual forum on May 27, 2020.

If you have any questions or need additional information, please do not hesitate to contact us.

Very truly yours,



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KCB/kms

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